



November 6, 2002

**Facsimile and U.S. Mail**

Mr. J. Tyler Carlson  
Western Area Power Administration  
P.O. Box 6457  
Phoenix, AZ 85005-6457

Re: Parker-Davis Project Post-2008 Re-marketing  
Public Comments

Dear Mr. Carlson:

The Ak-Chin Electric Utility Authority (AKEUA) appreciates the opportunity to provide these written comments regarding the Parker-Davis Project Post-2008 Remarketing effort. It is our understanding that the final rule of the Energy Planning and Management Program (Program) required the Western Area Power Administration (Western) to determine the applicability of the Power Marketing Initiative (PMI) to the Parker-Davis Project (P-DP) no more than ten (10) years before the existing contracts expired.

In Western's August 8, 2002 Federal Register Notice (FRN-08/08/02), Western made its intent known to apply the PMI to the P-DP. The FRN-08/08/02 also presented Western's proposal to "...extend 94 percent of the P-DP customers' entitlement of long-term, firm P-DP resources..." for an additional twenty (20) years and to establish a single one-time pool made up of 6 percent of available P-DP resources for new customers. In addition, the FRN-08/08/02 mentioned the current P-DP Advancement of Funds contract that Western has in place with existing P-DP customers. The FRN-08/08/02 states that "...new customers will be required to reimburse existing customers for undepreciated replacement advances..." and further, that "...new customers who receive an allocation will also be required to participate in advance funding...".

The AKEUA does not have any issue with the applicability of the PMI to the P-DP. However, we do not agree with the proposed size of the resource pool. Support for Western's decision is based on the 6 percent pool size established during the remarketing of both the Pick-Sloan Missouri Basin Program-Eastern Division and Loveland Area Projects and the Central Valley Project. However, during the remarketing of the Salt Lake City Area/Integrated Projects (Colorado River Storage Project or CRSP) a 7 percent pool size was established. It appears that determination of the pool size is rather arbitrary. We suggest establishing a single one-time pool made up of two (2) components as described below to be made available to new P-DP customers.

- The first component would be made up of 15 percent of available P-DP resources from existing customers whose contracts are renewed. Assuming all existing

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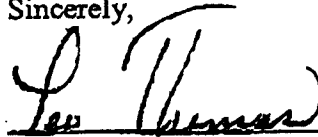
customer contracts are renewed, this would establish a pool size around 36.4 MW pool versus the Western proposed 14.6 MW pool.

- In addition to the first component, the second component would be made up of available P-DP resources of existing customers whose contracts are not renewed by Western because the existing customer does not qualify as a "Preference Customer" per the Reclamation Project Act of 1939 or there is some other reason for not renewing the contract.

With respect to the Advancement of Funds contract, we suggest that a mechanism be established so that a lump sum payment is not required at the time the P-DP contract is signed.

The AKEUA thanks Western for the opportunity to submit these comments. We look forward to continued participation in the remarketing process and to obtaining an allocation in the future.

Sincerely,



Leo Thomas, Chairman  
Ak-Chin Electric Utility Authority

cc: Terry Enos, Chairman, Ak-Chin Indian Community  
Charles Carlyle, Vice-Chairman, Ak-Chin Electric Utility Authority  
William Strickland, Sr.  
Leonard S. Gold